



## South Carolina Commission on Higher Education

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 Dr. Richard C. Sutton  
 Executive Director

### MEMORANDUM

TO: Chairman John Finan and Members of the Commission on Higher Education

FROM: Richard C. Sutton, Executive Director

DATE: August 1, 2014

RE: Approval of Appointment to the Higher Education Efficiency, Effectiveness and Accountability Review Steering Committee pursuant to Proviso 118.16 of Act 286 of 2014.

In the FY 2014-15 Appropriations Act (Act 286 of 2014), Proviso 118.16 provides non-recurring funds to selected higher education institutions for purposes of a Higher Education Efficiency, Effectiveness, and Accountability Review. Institutions receiving funds for the review include Clemson University, USC Columbia, the Medical University of South Carolina, the Citadel, Coastal Carolina University, the College of Charleston, Francis Marion University, Lander University, USC Aiken, USC Beaufort, USC Upstate, and Winthrop University.

The Act directs that these funds are to be used by a thirteen-member steering committee to procure, execute, and oversee implementation of the South Carolina Higher Education Efficiency, Effectiveness and Accountability Review. For reference, the applicable sections of Proviso 118.16 relating to the review and funding are attached. (See Attachment Enclosed.)

The Commission is tasked with selecting by a majority vote of the Commission three institutional representatives to serve on the steering committee to include a president, trustee, and chief financial officer. The Executive Director of the Commission also serves as a member of the committee.

The following institutional representatives are advanced for consideration of the Commission.

- Dr. Luther Fred Carter, President, Francis Marion University
- The Honorable David H. Wilkins, Trustee and Board Chair, Clemson University
- Mr. Edward L. Walton, Senior Vice President for Administration and Chief Operating Officer, University of South Carolina

**Recommendation:** It is recommended that the Commission approve the institutional representatives advanced for consideration for appointment to the Higher Education Efficiency, Effectiveness and Accountability Review Steering Committee pursuant to Proviso 118.16 of Act 286 of 2014.

**ATTACHMENT**  
**RE: Agenda Item 6, August 7, 2014 CHE Meeting**

**FY 2014-15 Appropriations Act (Act 286 of 2014)**, EXCERPT Accessed online 7/17/2014  
[http://www.scstatehouse.gov/sess120\\_2013-2014/appropriations2014/tap1b.htm#s118](http://www.scstatehouse.gov/sess120_2013-2014/appropriations2014/tap1b.htm#s118))

**Part 1B, Proviso 118.16 (SR: Non-recurring Revenue), Excerpt regarding Higher Education Efficiency, Effectiveness, and Accountability Study.**

...

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available. The State Treasurer shall disburse the following appropriations by September 30, 2014, for the purposes stated:

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(17) H09 - The Citadel

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$81,290;

...

(18) H12 - Clemson University

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$596,066;

...

(19) H15 - University of Charleston

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$176,755;

...

(20) H17 - Coastal Carolina University

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$81,842;

...

(21) H18 - Francis Marion University

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$107,372;

...

(22) H21 - Lander University

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$55,958;

...

(24) H27 - University of South Carolina-Columbia Campus

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$971,902;

...

(25) H29 - University of South Carolina-Aiken Campus

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$58,922;

...

(26) H34 - University of South Carolina-Upstate Campus

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$82,157;

...

(27) H36 - University of South Carolina-Beaufort Campus

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$23,779;

...

(31) H47 - Winthrop University

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$81,917;

...

(32) H51 - Medical University of South Carolina

(a) Higher Education Efficiency, Effectiveness and Accountability Review \$352,825;

...

(C) The funds provided in this act for the Higher Education Efficiency, Effectiveness and Accountability Review shall be utilized by a thirteen member steering committee to procure, execute, and oversee implementation of the South Carolina Higher Education Efficiency, Effectiveness and Accountability Review. The committee shall serve as the primary client for the vendor selected to complete the review. When selecting the vendor, the committee must follow the competitive bidding process as set forth in the State's Consolidated Procurement Code. Appointments to the committee shall include:

- (1) the Speaker of the House of Representatives or his designee;
- (2) the Chairman of the House Ways and Means Committee or his designee;
- (3) the Majority Leader of the House of Representatives or his designee;
- (4) The Minority Leader of the House of Representatives or his designee;
- (5) the President Pro Tempore of the Senate or his designee;
- (6) the Chairman of the Senate Finance Committee or his designee;
- (7) the Majority Leader of the Senate or his designee;
- (8) the Minority Leader of the Senate or his designee;
- (9) the Governor or her designee;
- (10) the Executive Director of the Commission on Higher Education; and
- (11) a college or university president, a college or university trustee and a college or university chief financial officer, each selected by a majority vote of the Commission on Higher Education.

The committee shall notify institutions of the amount of the funds to be transferred to the committee to complete the review, and institutions shall transfer the funds. However, the committee may not request an amount from an institution that exceeds the amount provided to it in this act for this purpose.

To the extent that there are direct costs associated with implementation of the vendors recommendations, funds not utilized by the committee for the review shall be used by institutions to implement the vendor's recommendations. Further, any funds transferred to the committee from institutions, but not utilized by the committee for the review, must be transferred back to the institutions and shall only be used by the institutions for implementing vendor recommendations.

The committee shall deliver the vendor's initial findings and recommendations to the Governor and the General Assembly by February 1, 2015. Each institution is strongly encouraged to implement the recommendations identified by the review. It is the intent of the General Assembly that any savings realized from these reviews shall be retained by each institution.

The Commission on Higher Education, on behalf of the committee, must survey each institution that is provided funds in this act for the Higher Education Efficiency, Effectiveness and Accountability Review to determine if the institution has already undergone, is currently undergoing, or has contracted to undergo an internal or external performance improvement audit, operating efficiency study, or similar cost management review. The survey shall ascertain whether or not the review was internal or external, when the review was completed, when it will be completed (if ongoing), or when it anticipates it will begin (if already planned or contracted). The vendor name if an external review team or the composition of the review team, including their credentials, if internal, must be included, as must the scope of the review and its cost. For institutions where a review has been completed, it must report the findings, recommendations, or action items that were identified by the review team, if any, including estimated cost savings associated with the items. Further, a listing of findings, recommendations or action items of the review team that have already been implemented by the institution, including cost savings or efficiencies that have been realized as a result, must be documented. Findings or recommendations made by the review team, but not yet implemented by the institution, if any, must be explained by the institution. Survey results must be provided by the Commission on Higher Education to the committee no later than August 1, 2014. After public discussion of the survey responses, the committee shall select the institutions for the review. The existence of any such review, either completed or ongoing, does not guarantee an exemption for an institution from this review. Exemptions, if any, either for an entire institution or component thereof can only be granted by the committee.